

## **Refund to Expenditure Procedure**

Arkansas Code, Volume 19 Chapter 4 Paragraph 1801 classifies the following items as refunds to expenditures:

1. Proceeds received from insurance policies for causality losses by state agencies
2. Proceeds received from vendors on account of overpayment of obligations remitted by state agencies.
3. Refunds to state agencies for cash advances or over-allocations made to state and local agencies for subgrants.
4. Refunds to state agencies for the erroneous payment or overpayments of salaries to state employees.
5. Proceeds derived from the maturity or redemption of investments.
6. Reimbursements to institutions of higher learning for cash fund expenditures for salaries which are properly chargeable to funds in the State Treasury.

By authority granted by legislation, the Chief Fiscal officer of the state shall prescribe the necessary policies, procedures, and forms to accomplish the intent of the law. As such the following types of refunds to expenditure have been identified:

1. Prior Year Refund to Expenditure
2. Current Year Refund to Expenditure
3. Insurance Proceeds

### **PRIOR YEAR REFUND TO EXPENDITURE**

A Prior Year Refund to Expenditure occurs when a qualifying refund is received after the close of the fiscal year of the original payment.

All that is required for this transaction is an entry recording the receipt of cash. This is accomplished by recording a deposit transaction through FBCJ, FB50 or F-28, Debiting general ledger account 1100001002 Treasury Incoming and Crediting general ledger code 6990003000, Prior Year Refunds to Expenditures.

1. AASIS User Agencies will perform this entry themselves.
2. Service Bureau Agencies will complete the Revenue Receipts Deposit Form and forward it to the Department of Finance and Administration, Office of Accounting-Service Bureau.

3. Reporting Agencies will complete the Revenue Receipts Deposit Form and forward it to the Department of Finance and Administration, Office of Accounting -Service Bureau.

If the deposit is made into a fund receiving general revenue, the Department of Finance and Administration may reclaim this deposit. Cash reclamations will be processed by fund transfer entries monthly. State agencies will receive copies of all reclamation entries.

#### CURRENT YEAR REFUND TO EXPENDITURE

A Current Year Refund to Expenditure occurs when a qualifying refund is received before the close of the fiscal year of the original payment.

A Current Year Refund to Expenditure requires two entries:

1. The first entry records the receipt of cash. The entry is made using transactions FBCJ, FB50 or F-28, Debiting general ledger account 1100001002 Treasury Incoming and Crediting general ledger code 6080001000 Current Year Refund To Expenditure.
  - a. AASIS User Agencies will perform this transaction themselves.
  - b. Service Bureau Agencies will complete the Revenue Receipts Deposit Form and forward it to the Department of Finance and Administration, Office of Accounting Service Bureau.
  - c. Reporting Agencies will fill out the Revenue Receipts Deposit Form and forward it to the Department of Finance and Administration, Office of Accounting Service Bureau.
2. The second entry reduces expenditures and restores budget. All agencies will complete a Request for Refund to Expenditure Form and forward it to the Department of Finance and Administration Office of Accounting for processing. The form is completed as follows:

Field Name	Description
Date	Required. Enter the date request for refund is completed.
Agency	Required. Enter agency name.
Business Area	Required. Enter your agency business area, which is your old agency number, preceded by a zero.

#### **Details**

Field Name	Description
Cost Center	Required. Enter the cost center to which the refund is to be applied.
Fund	Required. Enter the fund from which the original expenditure was paid.
WBS Element	Conditional. Enter WBS element when the refund is to be

	charged to a grant or construction project.
GL Account	Required. Enter the appropriate GL account code from the original expense document.
Original AASIS Document No.	Required. Enter the AASIS document number associated with the original expenditure now being refunded.
Receipt Document No.	Required. Enter the receipt document number to which the refund is applied.
Amount	Required. Enter the amount of the check or cash received.
Reason	Required. Enter a brief description of the reason for the refund.

### Agency Contact Information

Field Name	Description
Contact Name	Required. Enter the contact person for this deposit.
Email	Required. Enter the email address for the contact person.
Telephone	Required. Enter the telephone number for the contact person.
Fax	Required. Enter the fax number for the contact person.
Address	Required. Enter the business address for the contact person.

### Office of Accounting Use Only

Field Name	Description
AASIS Document No.	Enter the document number used when the Refund to Expenditure is posted in AASIS.
Date	Enter the date that the refund transaction is posted in AASIS.
Signature	Provide signature authorizing entry of refund transaction in AASIS.



**ARKANSAS ADMINISTRATIVE STATEWIDE INFORMATION SYSTEM  
REQUEST FOR REFUND TO EXPENDITURE**

Date: \_\_\_\_\_

Agency: \_\_\_\_\_ Business Area: \_\_\_\_\_

Cost Center	Fund	WBS Element	GL Account	Original AASIS Document No.	Receipt Document No.	Amount	Reason

**Agency Contact Information:**

Contact Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Address: \_\_\_\_\_

Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

**Office of Accounting Use Only:**

AASIS Document No. \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## INSURANCE PROCEEDS

The Department of Finance and Administration Office of Accounting shall make an appropriation transfer from a holding appropriation to the requesting agency for amounts received from insurance proceeds due to casualty losses. The following documentation is required:

1. A copy of the claim settlement form.
2. A copy of the treasury deposit or deposit ticket from a financial institution.

Contact the Department of Finance and Administration Office of Accounting at (501) 682-1675 for all questions concerning Refunds to Expenditures.